

Following is Blue Shield's Life response to the questions from the Department dated September 6, 2011. For ease of review, the Department's questions are repeated in bold, with Blue Shield Life's response following.

1. The projected aggregate medical loss ratios for calendar years 2011 and 2012 for all small group plans, including those not included in the current rate filing, to be calculated in accordance with the HHS regulation. Provide the member months, earned premium, incurred claims, and any adjustments used to calculate the loss ratios for each year.

Please refer to the attached excel file "CY DOI HCR MLR Summary". The projected aggregate loss ratio for all CDI-regulated small group plans combined is shown for both 2011 and 2012 (dollar amounts are in the millions). Adjustments to both the numerator and denominator are shown.

2. Provide the cost as a percentage of Medicare: (California Plain-Language Rate Filing Description) *Insurance Code section 10181.7 (d) provides that insurers must provide, "in plain language and in a manner and format specified by the department," information, including actual costs by aggregate benefit category. In the California Plain-Language Rate Filing Description form issued concurrently with Guidance 1163:2, the department specified that the manner and format for the submission of this information includes both dollar cost and, as a means of providing this information in a manner that provides for meaningful comparison, the respective cost for each aggregate benefit category as a percentage of Medicare. Pursuant to Insurance Code section 10181.7(d), this information must be provided for each filing (see Insurance Code section 10181.11).*3.

The Plan Language Filing Description has been updated to include the % of Medicare numbers. Please note that Blue Shield Life is working on refreshing this data and intend to include in future filings.